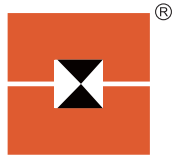


If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kaisa Group Holdings Ltd., you should at once hand this circular together with the enclosed form of election to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of Kaisa Group Holdings Ltd.

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KAISA GROUP HOLDINGS LTD.

佳兆業集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1638)

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2013**

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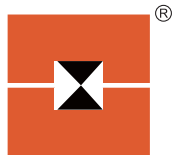
DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors;
“Business Day”	any day (other than a Saturday, Sunday or public holiday and any weekday on which tropical cyclone warning signal no. 8 or higher is hoisted or a “black” rainstorm warning is given in Hong Kong at any time during 9:00 a.m. to 5:00 p.m.) on which commercial banks are open for business in Hong Kong;
“CCASS”	Central Clearing and Settlement System;
“Company”	Kaisa Group Holdings Ltd., a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Election Form”	the form of election in relation to the Scrip Dividend Scheme;
“Final Dividend”	the final dividend of HK\$0.15 per Share for the year ended 31 December 2013 payable to Shareholders whose names appeared on the register of members of the Company after the close of business on the Record Date;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share(s)”	new fully paid Share(s) to be issued under the Scrip Dividend Scheme;
“Overseas Shareholders”	Shareholders whose names appeared on the register of members of the Company at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong;

DEFINITIONS

“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative of the People’s Republic of China and Taiwan (Republic of China) for the purposes of this circular;
“Record Date”	Tuesday, 8 April 2014;
“RMB”	Renminbi, the lawful currency of the PRC;
“Scrip Dividend Scheme”	the scheme which offers to the Shareholders an alternative to receive their Final Dividend wholly or partly by the allotment of fully paid New Shares in lieu of cash;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Share(s)”	share(s) of nominal value of HK\$0.1 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“US\$”	United States dollar, the lawful currency of the United States of America.



KAISA GROUP HOLDINGS LTD.

佳兆業集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1638)

Executive Directors:

Mr. Kwok Ying Shing (*Chairman*)
Mr. Kwok Ying Chi
Mr. Sun Yuenan
Dr. Tam Lai Ling
Mr. Jin Zhigang

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Non-executive Director:

Ms. Chen Shaohuan

Principal place of business

in Hong Kong:
Suite 2001, 20th Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

Independent non-executive Directors:

Mr. Rao Yong
Mr. Zhang Yizhao
Mr. Fok Hei Yu

11 April 2014

To the Shareholders

Dear Sir/ Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. INTRODUCTION

On 20 February 2014, the Board announced and recommended the payment of the Final Dividend to Shareholders whose names appeared on the register of members of the Company after the close of business on the Record Date. At the annual general meeting of the Company held on 31 March 2014, the Final Dividend was approved. Shareholders may elect to receive the Final Dividend in cash, with an option to receive fully paid New Shares in lieu of cash under the Scrip Dividend Scheme.

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

* For identification purposes only

LETTER FROM THE BOARD

2. DETAILS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, the Shareholders may elect to receive the Final Dividend in one of the following ways:

- (a) cash of HK\$0.15 for each Share; or
- (b) an allotment of fully paid New Shares (the number of which is determined as explained below) credited as fully paid and having an aggregate market value (as described below) equal to, save for adjustment for fractions, the total amount of the Final Dividend; or
- (c) partly in cash and partly New Shares.

For the purpose of calculating the number of New Shares to be allotted on a pro-rata basis to the Shareholders pursuant to the Scrip Dividend Scheme, the market value of the New Shares is fixed at HK\$2.68 per Share (the “**Average Closing Price**”), which is the average closing price per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Record Date. Accordingly, the number of New Shares which the Shareholders are entitled to receive in respect of the Shares registered in their names as at the Record Date will be calculated as follows:

$$\begin{array}{rclcl} \text{Number of} & & \text{Number of} & & \text{HK\$0.15} \\ \text{New Shares to} & & \text{registered Shares} & & \text{(Final Dividend per Share)} \\ \text{be received} & = & \text{held on} & \times & \hline & & \text{the Record Date} & & \text{HK\$2.68} \\ & & & & \text{(Average Closing Price)} \end{array}$$

Unless otherwise stated therein, the last day and time on which the Shareholders will be entitled to select their desired form of the Final Dividend is 4:30 p.m. on Tuesday, 29 April 2014. The number of New Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to the New Shares will be disregarded. The New Shares to be issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the existing issued Shares, except that they shall not rank for the Final Dividend.

3. ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Directors consider that the Scrip Dividend Scheme gives the Shareholders the opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also benefit the Company to retain cash, which would otherwise have been paid to the Shareholders, for the use as general working capital by the Company.

LETTER FROM THE BOARD

4. CONDITIONS OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares to be issued thereunder.

If the condition above is not satisfied, the Scrip Dividend Scheme will not be effective and the Final Dividend will be paid wholly in cash.

5. EFFECT OF THE SCRIP DIVIDEND SCHEME

As at the close of business on the Record Date, the number of issued Shares was 4,968,241,000. If no elections for the New Shares are received, the total cash dividend payable by the Company to the Shareholders will be approximately HK\$745,236,150. If all Shareholders elect to receive their entitlement in the New Shares, no more than 278,073,190 Shares will be issued under the Scrip Dividend Scheme, representing approximately 5.60% of the existing issued share capital of the Company and approximately 5.30% of the issued share capital of the Company as enlarged by the New Shares.

Shareholders should note that receipt of the New Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

6. ELECTION FORM

The Election Form is enclosed with this circular for use by the Shareholders who wish to receive the Final Dividend wholly in New Shares or partly in cash and partly in New Shares.

(a) To receive the Final Dividend in cash only

If you wish to receive only cash for the Final Dividend, you do not need to take any action. Shareholders who do not make an election to receive their Final Dividend in scrip will receive such dividend in cash.

LETTER FROM THE BOARD

(b) To receive the Final Dividend wholly in New Shares or partly in cash and partly in New Shares

If you wish to receive your Final Dividend wholly in New Shares, or partly in cash and partly in New Shares, you should use the Election Form. If you complete the form but do not specify the number of Shares in respect of which you wish to receive an allotment of New Shares, or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding on the Record Date, you will be deemed to have exercised your election to receive only New Shares in respect of ALL the Shares registered in your name on the Record Date. Therefore, you will receive only New Shares for the Final Dividend. No acknowledgement of receipt of the Election Form will be issued.

Any Shareholder who wishes to elect to receive the Scrip Dividend Shares in lieu of cash in respect of the Final Dividend, either in whole or in part, must complete the enclosed Election Form in accordance with the instructions printed thereon and lodged it with Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, so that they are received by the Company's branch share registrar no later than 4:30 p.m. on Tuesday, 29 April 2014. If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning in force in Hong Kong:

- a. **at or before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 29 April 2014, latest time and date for the return of the Election Forms remains unchanged;**
- b. **at any time between 9:30 a.m. and 4:30 p.m. on Tuesday, 29 April 2014, the deadline for latest time and date for the return of the Election Forms will be rescheduled to 4:30 p.m. on the next Business Day.**

7. OVERSEAS SHAREHOLDERS

None of this circular, the Election Form nor the New Shares will be registered or filed under the securities laws or equivalent legislation of any jurisdiction other than, if applicable, Hong Kong.

The participation in the Scrip Dividend Scheme by Overseas Shareholders may be affected by the laws of their relevant jurisdictions. Receipt of this circular and/or an Election Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this circular and/or the Election Form will be deemed to have been sent for information only. This circular and the Election Form do not constitute or form part of an offer or solicitation of any offer to buy securities of the Company, and the Election Form is non-transferable. Accordingly, the Scrip Dividend Scheme will not be made available directly or indirectly, and neither this circular nor any other material or advertisement in connection with the Scrip Dividend Scheme may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

LETTER FROM THE BOARD

As at the Record Date, there were three Overseas Shareholders with their respective addresses registered in the British Virgin Islands. The Company has made enquiries on the legal restrictions under the laws or regulatory requirements in the British Virgin Islands regarding the feasibility of extending the Scrip Dividend Scheme to the Overseas Shareholders. The Directors were advised that there was no legal restriction on or exemption applying to the Company under the applicable legislations of the British Virgin Islands with respect to the offer of the New Shares to the Overseas Shareholders. Accordingly, no Shareholders will be excluded from participating in the Scrip Dividend Scheme.

While no Shareholders will be excluded from the Scrip Dividend Scheme and notwithstanding the legal enquiries made by the Company, it is the responsibility of any Shareholder wishing to join the Scrip Dividend Scheme to satisfy himself as to full observance of the laws of the relevant territory, including obtaining any governmental or other consents which may be required, complying with any other necessary formality and paying any issue, transfer or other taxes due in respect of such jurisdiction. For the avoidance of doubt, the New Shares are not being offered to the public and the Election Forms are non-transferable. Overseas Shareholders who are in doubt as to their position should consult their own professional advisers without delay.

8. LISTING AND DEALINGS

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the New Shares.

Subject to the said application being granted by the Stock Exchange, it is expected that the share certificates for New Shares and/or cheques for cash dividend (as the case may be) will be posted by ordinary mail to the Shareholders at the risk of those entitled thereto on or about Thursday, 29 May 2014, and dealings in the New Shares are expected to commence on the Stock Exchange on or about Friday, 30 May 2014.

Subject to the granting of the listing of, and permission to deal in, the New Shares to be allotted and issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such New Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the CCASS. Shareholders should seek the advice of their licensed securities dealer or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange. The following convertible and debt securities of the Company are listed, and dealt in, on SGX-ST:

- an outstanding principal amount of RMB1,499.8 million US\$ settled 8% convertible bonds due 2015 issued by the Company on 20 December 2010
- an outstanding principal amount of US\$250.0 million 12.875% senior notes due 2017 issued by the Company on 18 September 2012

LETTER FROM THE BOARD

- an outstanding principal amount of US\$500.0 million 10.25% senior notes due 2020 issued by the Company on 8 January 2013
- the outstanding principal amount of US\$550.0 million and US\$250.0 million 8.875% senior notes due 2018 issued by the Company on 19 March 2013 and 13 January 2014, respectively
- an outstanding principal amount of RMB1.8 billion 6.875% senior notes due 2016 issued by the Company on 22 April 2013

Save as disclosed above, no part of the Shares or other debt securities of the Company is listed, or dealt in, on any other stock exchange.

All certificates for the New Shares are non-renounceable.

9. GENERAL

New Shares to be issued to the Shareholders pursuant to an election to receive some or all of their Final Dividend in New Shares may be allocated in odd lots (of fewer than a board lot of 1,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of New Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Whether or not it is to your advantage to receive cash or the New Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Shareholder. If you are in doubt as to what to do, you should consult your professional advisers.

Shareholders who are trustees are recommended to seek professional advice as to whether the choice of New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

10. EXPECTED TIMETABLE

Latest date for dealings in Shares on a
cum-entitlement basis Tuesday, 1 April 2014

Commencement of dealings in the Shares on
an ex-entitlement basis Wednesday, 2 April 2014

Latest time for lodging transfer of the Shares
in order to be entitled to the Final Dividend 4:30 p.m. on
Thursday, 3 April 2014

LETTER FROM THE BOARD

Closure of the register of members of the Company Friday, 4 April 2014 to
Tuesday, 8 April 2014
(both days inclusive)

Record Date for determination of entitlements
to the Final Dividend Tuesday, 8 April 2014

Despatch of Election Form Friday, 11 April 2014

Latest time and date for return of Election Form 4:30 p.m. on
Tuesday, 29 April 2014

Despatch of share certificates for the
New Shares and cheques for cash dividend Thursday, 29 May 2014

Dealings in the New Shares on the Stock Exchange Friday, 30 May 2014

Notes:

1. All times refer to Hong Kong local time.
2. If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning in force in Hong Kong at any time prior to 4:30 p.m. on Tuesday, 29 April 2014, the deadline for return of the Election Form will be extended. Further information is set out in paragraph headed "Election Form" of the "Letter from the Board".

Yours faithfully,
By Order of the Board
KAISA GROUP HOLDINGS LTD.
Mr. Kwok Ying Shing
Chairman & Executive Director